
Unit 6: Economic Recovery

Time: 2 hours

Purpose

The purpose of this unit is to discuss various ways businesses can recover from disasters and rebuild a community's economic base.

Objectives

At the end of this unit, participants will be able to:

- 1.** Explain various terms used by different professions for post-disaster business recovery
- 2.** Describe five findings of disaster impact on business
- 3.** Describe the federal disaster process
- 4.** Describe the myths of government disaster assistance for the business community
- 5.** List types of assistance for rebuilding a community's economic base.
- 6.** Describe ways emergency managers and economic developers can work together to address unmet needs

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Total Time:	120 minutes	

Instructor Preparation

COURSE MATERIALS	EQUIPMENT
<ul style="list-style-type: none">♦ Facilitator Guide♦ Course Agenda♦ PowerPoint presentation	<ul style="list-style-type: none">♦ Easel, easel pad, and markers♦ Overhead projector and projection screen and/or computer display unit and monitor

Where Are We in the Planning Process?

2 minutes

Show Visual 6-1.

Introduce the unit and review the objectives.

Unit 6: Objectives

- ♦ Explain various terms used by different professions for post-disaster business recovery
- ♦ Describe five findings of disaster impact on business
- ♦ Describe the federal disaster process

6-1

Show visual 6-2 and review the objectives.

Unit 6: Objectives

- ♦ Describe the myths of government disaster assistance for the business community
- ♦ List types of assistance for rebuilding a community's economic base
- ♦ Describe ways emergency managers and economic developers can work together to address unmet needs

6-2

Show Visual 6-3.

Review where we are in the planning process.



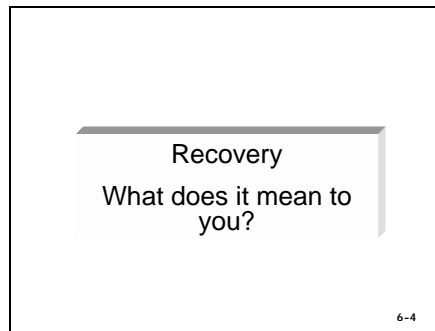
Defining Recovery Terminology

5 minutes

Show Visual 6-4.

Ask participants what the term “recovery” means to them. Highlight the different perspectives for the sectors. Mention how the key players shift during the recovery phase.

Write their answers on an easel pad.



Recovery means different things to different people. The broadest interpretation of the term *recovery* is a return to conditions as they were before the event. Overall, the long-term goal of recovery is to make the community more disaster-resistant. It is the final phase of emergency management and continues until all systems return to normal or near normal.

During the response stage, the key players include emergency managers, fire, police, and emergency medical services. At the recovery phase, the emphasis shifts to economic development, housing, planning, rebuilding, and mental health, so the key players change.

Disaster Recovery

Initial disaster response efforts focus on critical life and safety issues, search and rescue operations, treating the injured, reestablishing vital services, and providing emergency shelter. This is the focus of emergency management in the early stages of a disaster.

Once these immediate issues are dealt with, then the focus shifts toward short-term recovery and long-term recovery, which focuses more on economic recovery for the community. Economic recovery can take years.

Economic Recovery

“Economic Recovery is quite likely the most serious issue facing most communities in the post-disaster period, and most certainly the central issue in every major disaster. The extent of the disruption of normal economic activity varies with the type of disaster, the size and economic makeup of the community, and other factors, but the disruption invariably adds to the property losses already suffered by shrinking income, profits, and productivity.” – American Planning Association, *Planning for Post-Disaster Recovery and Reconstruction*

Experience tells us that:

- ◆ Economic recovery is a key element that can help sustain or inhibit the growth of communities impacted by disasters.
- ◆ Economic recovery does not necessarily occur evenly across the economic spectrum in the community, and some economic sectors (like small businesses) take bigger “hits” than others.
- ◆ Communities that have suffered catastrophic disasters will struggle for resources to recover and may, or may not, receive federal funding assistance for recovery.
- ◆ Communities that engage in market-based strategic recovery planning have a better understanding of their implementation priorities and can make the best use of the resources available after the disaster and before the next disaster.

In economic recovery, a community has three key objectives:

- ◆ Retain existing businesses
- ◆ Promote continued or new economic development
- ◆ Ensure that businesses are built back safer, smarter, and stronger

It is the long-term recovery phase of a disaster that places the most severe financial strain on local or state government. Damage to public facilities and infrastructure, often not insured and possibly not fully compensated by FEMA or other sources, is overwhelming.

Business Recovery

Business recovery refers to the business's ability to survive after a disaster.

Business Vulnerabilities Following a Disaster

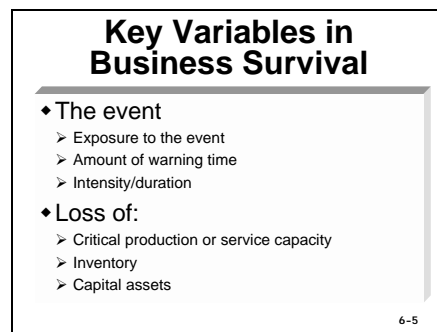
5 minutes

According to U.S. Department of Labor Statistics, over 40% of all companies that experience a disaster never reopens.

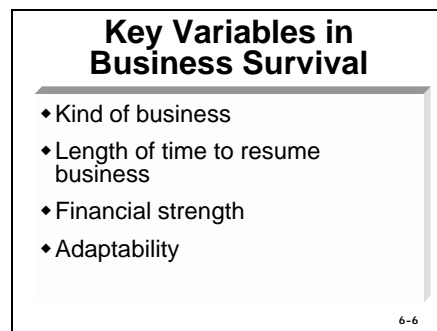
Survival and Recovery

Show Visual 6-5.

Highlight variables that affect a business ability to survive after a disaster.



Show Visual 6-6.



Some business survive, many fail. A businesses survival is often dependent on one or more of the following variables.

- ♦ The business exposure to the event
- ♦ The amount of warning time to prepare for the event
- ♦ The intensity and duration of the event

- ♦ The extent to which the organization lost critical production or service capacity, inventory and capital assets
- ♦ The kind of activity the business does (was it in decline or in a good location)
- ♦ The ability of the business to resume operations quickly (if the business can't supply, the customer goes elsewhere; is the firm too reliant on one supplier)
- ♦ Financial strength of the firm (smaller, weaker and under capitalized firms are more likely to fail)
- ♦ Ability of business to adapt to the post-event market for goods and services (quick to change)
 - A pizza place to feed hungry disaster workers

Alesch, et al. (2001) suggests that businesses must be willing to change, to adapt to the new circumstances.

“Ashby’s Law of Requisite Variety maintains that to survive, a system must have a repertoire of responses at least equal to the array of environmental challenges” (Alesch, et al, p 31).

Many small and mid-sized businesses will not have the financial reserves to survive an extended disaster recovery process. *The Organizations At Risk: What Happens When Small Businesses and Not-for-Profits Encounter Natural Disasters* study found five surprising findings regarding their ability to recover, which are presented below.

Show Visual 6-7.

Briefly mention the key findings about businesses ability to recover after a disaster.

Key findings about business recovery

- ♦ Traditional precautions don't help
- ♦ Businesses don't fail immediately after the event
- ♦ Most losses don't occur during or right after the event
- ♦ Most owners don't know how to recover
- ♦ Certain variables contribute to business survival

1. Traditional precautions do not help businesses survive

While traditional hazard mitigations efforts are necessary in reducing losses to life and property it does not ensure business survival.

2. Most businesses do not fail immediately after the event

Owners struggle after the event, but do not fail for 2 – 4 years.

3. Most losses do not occur during and right after the event

Business losses extend beyond initial damages to include business interruption, income loss and lost assets (business equity).

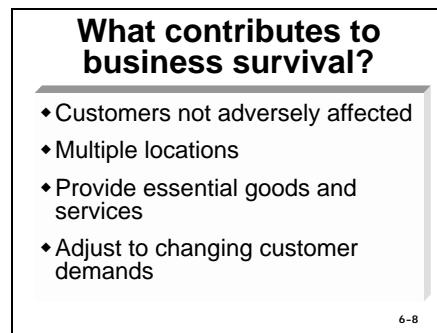
4. Most owners had few ideas about how they ought to try to recover

Reliance on putting things back the way they were was not successful, but others who saw the need for change weren't always successful either. Lease provisions, shortage of capital, or apprehension about change stifled growth or movement.

5. Certain variables contribute to business survival

Show Visual 6-8.

Highlight contributors to business survival.



The following variables are considered to be important in determining whether an organization will survive, especially small businesses and nonprofits:

- ♦ Businesses whose customers were not adversely affected had a better chance of survival than those whose customers who had significant losses
- ♦ Businesses with more than one location were more likely to survive
- ♦ Businesses that provided essential goods and services were more likely to survive than those that depended on discretionary income
- ♦ Businesses who were able to adjust to changing customer demands were more likely to survive

Understanding the Disaster Declaration Process: From Local to Federal

5 minutes

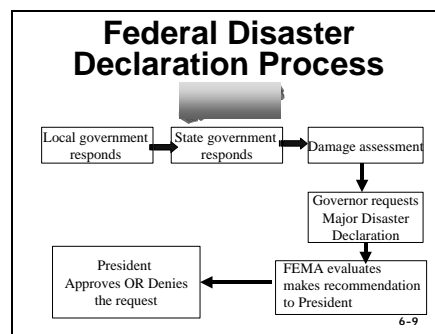
A major disaster could result from a hurricane, earthquake, flood, tornado or major fire, which the President determines warrants supplemental federal aid. The event must be clearly more than state or local governments can handle alone. If declared, funding comes from the President's Disaster Relief Fund, which is managed by FEMA, and disaster aid programs of other participating federal agencies.

A Presidential Major Disaster Declaration puts into motion long-term federal recovery programs, some of which are matched by state programs, and designed to help disaster victims, businesses and public entities.

An Emergency Declaration is more limited in scope and without the long-term federal recovery programs of a Major Disaster Declaration. Generally, federal assistance and funding are provided to meet a specific emergency need or to help prevent a major disaster from occurring.

Show Visual 6-9.

Briefly review the disaster declaration process.



The Major Disaster Process

A Major Disaster Declaration usually follows these steps:

- ♦ **Local Government Responds**, supplemented by neighboring communities and volunteer agencies. If overwhelmed, turn to the state for assistance;
- ♦ **The State Responds** with state resources, such as the National Guard and state agencies;
- ♦ **Damage Assessment** by local, state, federal, and volunteer organizations determines losses and recovery needs;
- ♦ **A Major Disaster Declaration** is requested by the governor, based on the damage assessment, and an agreement to commit state funds and resources to the long-term recovery;
- ♦ **FEMA evaluates** the request and recommends action to the White House based on the disaster, the local community and the state's ability to recover;
- ♦ **The President approves** the request or FEMA informs the governor it has been denied. This decision process could take a few hours or several weeks depending on the nature of the disaster.

Once a declaration is approved, this opens the door for local and state government applications for public and individual assistance. A governor can request three types of federal assistance:

- ♦ *Individual assistance* for individuals, families, farmers and businesses – loans and emergency housing, tax relief, and unemployment assistance
- ♦ *Public assistance* for states, local communities and nonprofit groups – financial assistance to restore public systems and facilities
- ♦ *Matching mitigation funds* for states and local communities for projects that eliminate or reduce an area's vulnerability to a hazard.

Myths of Government Assistance

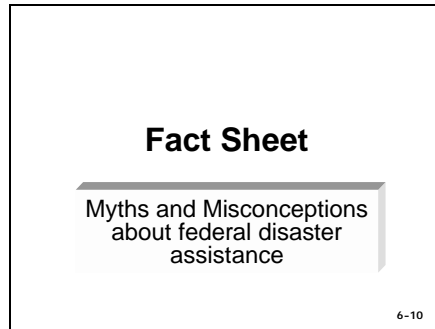
10 minutes

Show Visual 6-10.

Ask participants to identify some myths about government assistance.

Write their responses on an easel pad.

Refer participants to the fact sheet on Common Myths and Misconceptions about Federal Disaster Assistance and highlight any not covered during the discussion.



COMMON MYTHS AND MISCONCEPTIONS ABOUT FEDERAL DISASTER ASSISTANCE

1. *The Federal government has total responsibility for disaster recovery.*

The local government is primarily responsible for preparing for disasters that might affect a community and helping residents recover from such events. The great majority of disasters are handled successfully at the local level. State and Federal resources are intended to assist the community only when the community's own resources are not sufficient.

2. *The objective of Federal disaster assistance is to "fix everything."*

As much as we may wish otherwise, once a disaster has seriously impaired our homes and our communities, they may never be exactly the same. Nor will disaster assistance ever be adequate to restore everything that was lost by all those affected. The individual's own provision, especially insurance, must be used to ensure that losses can be recovered. Federal assistance will, in general, be used only for necessary expenses not met through other programs. Some of the Federal programs (such as loans from the Small Business Administration) cover most items that were lost, but not everyone is eligible. Other programs assist with only a portion of the losses or are intended only for serious needs.

COMMON MYTHS AND MISCONCEPTIONS ABOUT FEDERAL DISASTER ASSISTANCE

3. *Everyone in the disaster area is eligible to receive Federal disaster assistance.*

As part of the application process, applicants will have to demonstrate that they meet the eligibility requirements for each particular type of aid they are requesting.

4. *When Federal agency representatives arrive, they will immediately distribute money to disaster victims.*

Individuals and families will need to plan to use their own resources and financial reserves until Federal funds can be released. An application process must be completed before assistance becomes available. Often, it takes several weeks for the Federal government to review requests for financial assistance and to issue funds to those who meet eligibility requirements. Most Federal assistance is in the form of a loan that must be repaid rather than an outright grant.

5. *Money received from Federal disaster assistance can be used as the recipient thinks best.*

Monetary assistance is given for a specific purpose. The recipient must use the money to meet the need for which assistance was provided and must comply with specific regulations applicable to each type of assistance. If the assistance is in the form of a loan, recipients must be judged able to pay back the loan.

6. *Federal aid replaces the need for insurance.*

Individuals, families, and businesses should all carry adequate insurance to meet their needs in the event of a disaster. It is not the purpose of Federal assistance to duplicate protection available through insurance plans. Federal assistance is provided to address only the most basic disaster-related needs not covered by other means. Besides, most disaster events are not presidentially-declared disasters, so Federal assistance is often not available.

Disaster assistance may be granted in the form of a loan rather than as an outright cash award. For geographical areas subject to floods, such as the one in the Centerville scenario, the Federal government ensures that residents of participating communities can receive appropriate insurance coverage through its National Flood Insurance Program (NFIP). In addition, flood insurance coverage is required as a condition to receiving Federal disaster aid for permanent repair or reconstruction of any structure located within an identified floodplain. You may wish to contact your local emergency preparedness office, the local building or zoning official, or your insurance agent to find out whether your local community is a participant.

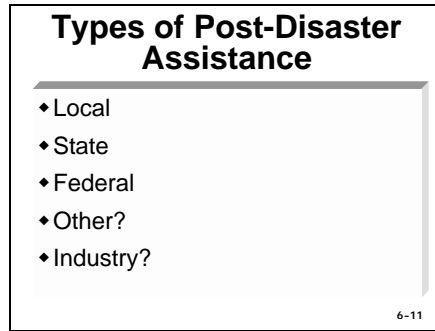
Source: FEMA. *A Citizen's Guide to Disaster Assistance*. IS-7, January 1997, 1-11–1-13.

Types of Post-Disaster Assistance

15 minutes

Show Visual 6-11.

Discuss types of post-disaster assistance.



Recovery is dependent on the amount of capital coming into the area and how quickly it's available. Recovery funding from government and insurance is limited. Capital infusion will be determined by the investor confidence in the local marketplace, the post-disaster economic climate of a given business district or region, and the amount of funding available during the recovery.

Federal financial aid requires a demonstrated ability to repay. Small businesses that don't plan to safeguard their financial records may not qualify if building, inventory, and financial records are destroyed.

Chances of economic recovery can be improved when new projects are initiated, partnerships merge for community rebuilding, or funding is sought.

Though the amount of government funding may be limited, there is a range of Federal assistance, which includes grants, loans, planning, and technical assistance.

States may also provide some types of funding—though it's often subject to budget approval—which could delay the funds.

Often, localities will seek funding through various grant mechanisms or will raise funds through special assessments, fees, or other financing mechanisms.

Local Resources

Seek assistance from the local government first, as it has primary responsibility for emergency management. Some potential resources include the following:

- ◆ Donations
- ◆ Capital improvement projects
- ◆ Economic development funds
- ◆ Public/private partnerships
- ◆ Special funding programs

The local government may also establish special funding programs to assist businesses in post-disaster recovery.

State Resources

The following State organizations may be able to refer you to grants or programs that could provide some assistance.

- ◆ State Hazard Mitigation Office
- ◆ State agencies, in areas such as:
 - Environmental Protection
 - Transportation
 - Floodplain Management
 - Natural Resources
 - Dam Safety
 - Housing and Community Development
- ◆ Economic Development Office

Additionally, the State may have a variety of ways established to fund disaster-related recovery projects.

- ◆ Appropriations made after a disaster
- ◆ Separate disaster fund
- ◆ Disaster trust funds
- ◆ Earmarked funds
- ◆ Hazard mitigation funds

Federal Resources

Refer participants to the table of federal resources; briefly highlight some of them.

The following is a listing of the principal Federal programs that offer economic recovery assistance.

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Emergency Haying and Grazing	Dept. of Agriculture (USDA), Farm Service Agency (FSA)	Emergency authority to harvest hay or to graze land devoted to conservation and environmental uses under the Conservation Reserve Program.	AWD	I/B
Emergency Loans	USDA, FSA	Low-interest loans to family farmers and ranchers for production losses and physical damage.	PD; designated by Secretary of Agriculture or Administrator, FSA (physical losses only).	I/B
Noninsured Crop Disaster Assistance Program	USDA, FSA	Direct payments to reduce financial losses resulting from a natural disaster that causes production loss or prevents planting of crops grown commercially for food or fiber, for which Federal crop insurance is not available.	AWD	I

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Emergency Conservation Program	USDA, FSA	Cost-share payments to rehabilitate farmlands damaged by natural disasters and to carry out emergency water conservation or water-enhancing measures during times of severe drought, in cases when the damage or drought is so severe that Federal assistance is necessary.	AWD	I/B
Agricultural Marketing Transition Act (AMTA) Program	USDA, FSA	Direct payments to eligible producers of program crops that comply with AMTA requirements.	AWD	I/B
Conservation Reserve Program (CRP)	USDA, FSA	Voluntary program that offers annual rental payments, incentive payments for certain activities, and cost-share assistance to establish approved cover on eligible cropland.	AWD	I/B
Farm Operation Loans	USDA, FSA	Loans and loan guarantees to be used for farm operating costs.	N/P	I
Farm Ownership Loans	USDA, FSA	Direct loans, guaranteed loans, and technical assistance for farmers in acquiring or enlarging farms or ranches; making capital improvements; promoting soil and water conservation; and paying closing costs.	AWD	I
Emergency Food Assistance (Emergency Food Stamp and Food Commodity Program)	USDA, Food and Nutrition Service (FNS)	Direct payments to States for specified uses.	PD; declaration by the Secretary of Agriculture.	S/I

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Food Distribution	USDA, FNS	Donations of USDA-purchased food.	PD; declaration by Secretary of Agriculture and compliance with eligibility criteria.	F/S/L/N
Emergency Watershed Protection (EWP)	USDA, Natural Resources Conservation Service (NRCS)	Direct payments and technical assistance to install structural and nonstructural measures to relieve imminent threats to life and/or property, and to purchase floodplain easements. Technical assistance such as site evaluations, design work, and installation inspections also are provided through the program.	AWD; triggered by NRCS State Conservationist.	S/L/N/B/I
Water Resources	USDA, NRCS	Project grants for the installation of preventive measures such as dams, channels, flood warning systems, purchasing easements, floodplain delineation, and land treatment. Advisory and counseling services also are available.	N/P	S/L/N
Resource Conservation and Development (RC&D)	USDA, NRCS	Technical assistance and loans to finance local project costs. Projects may include land and water conservation, resource improvements, recreational development, and waste disposal projects.	AWD	L/N
River Basin Project	USDA, NRCS	Technical assistance. Special priority is given to projects designed to solve problems of upstream rural community flooding, water quality improvement that comes from agricultural nonpoint sources, wetlands preservation, and drought management for agricultural and rural communities. Special emphasis is placed on helping State agencies develop strategic water resource plans.	AWD; triggered by NRCS State Conservationist.	F/S/L

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Soil Survey	USDA, NRCS	Technical assistance. Objective is to maintain up-to-date, published surveys (and soil survey data in other formats) of counties or other areas of comparable size for use by interested agencies, organizations, and individuals; and to assist in the use of this information.	N/P	S/L/N/B/I
Federal Crop Insurance Program	USDA, Risk Management Agency (RMA)	Direct payments of insurance claims. Insurance against unavoidable causes of loss such as adverse weather conditions, fire, insects, or other natural disasters beyond the producer's control.	No activating mechanism is needed, but availability is based on crop-specific sales, closing dates, and the availability of crops in particular counties.	I
Business and Industrial Loan Program (B&I)	USDA, Rural Business Service	Guaranteed and direct loans up to \$10 million. Possible disaster uses include drilling wells, purchasing water, or tying into other water programs.	AWD	B/N/T and public bodies
Farm Labor Housing and Grants	USDA, Rural Housing Service (RHS)	Loans and grants to provide housing and related facilities for domestic farmers.	No deadlines.	I/B
Rural Housing Site Loans	USDA, RHS	Loans for the purchase and development of housing and necessary equipment that becomes a permanent part of the development (e.g., water and sewer lines).	AWD	N
Rural Rental Housing Loans	USDA, RHS	Loans for the purchase, building, or repair of rental housing. Funds can also be used to provide water and waste disposal systems.	AWD	I/S/L/B

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Emergency Community Water Assistance Grants (ECWAG)	USDA, Rural Utilities Service (RUS)	Project grants to help rural residents obtain adequate water supplies.	PD	S/L/N
Water and Waste Disposal Loans and Grants	USDA, RUS	Project grants and direct and guaranteed loans to develop, replace, or repair water and waste disposal systems in rural areas and towns having populations of 10,000 or less.	AWD	L/N/T
Voluntary Organizations Recovery Assistance	American Red Cross, Mennonite Disaster Service, Salvation Army, and member organizations of the National Voluntary Organizations Active in Disaster	Mass care (shelter and feeding), welfare inquiries, health and mental health services, child care, home repairs (labor and funding), emergency communications, debris removal, burn services, cleaning supplies, personal property, distribution of supplies, transportation, loan personnel, and other specialized programs and services.	Disaster event.	I
Economic Adjustment Program - Disaster Economic Recovery Assistance	Dept. of Commerce (DOC), Economic Development Administration (EDA)	Planning and technical assistance grants to State and local governments for strategic recovery planning and implementation to focus on job retention/creation to help offset the economic impacts of a major disaster.	PD; requires supplemental appropriation (SA).	S/L/N/T
Economic Adjustment Program - Disaster Economic Recovery Assistance	DOC, EDA	Revolving loan fund grants to State and local governments to provide a source of local financing to support business and economic recovery after a major disaster where other financing is insufficient or unavailable.	PD; SA	S/L/N/T

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Economic Adjustment Program - Disaster Economic Recovery Assistance	DOC, EDA	Infrastructure construction grants to address local recovery implementation needs for new or improved publicly owned infrastructure after a major disaster, support job creation and retention, leverage private investment, and help accelerate and safeguard the overall economic recovery of the disaster-impacted area.	PD; SA	S/L/N/T
Corporation for National Service (CNS) Programs	CNS	Volunteers of all ages/backgrounds provide short/long-term response and recovery assistance. They are available through the community or national deployment.	PD	F/S/N/T
Beach Erosion Control Projects	Dept. of Defense (DOD), U.S. Army Corps of Engineers (USACE)	Specialized services. USACE designs and constructs the project.	Decision of the Chief of Engineers.	S/L
Emergency Rehabilitation of Flood Control Works or Federally Authorized Coastal Protection Works	DOD, USACE	Specialized services to assist in the repair and restoration of public works damaged by flood, extraordinary wind, wave, or water action.	Approval by HQUSACE.	S/L/N/I
Emergency Water Supply and Drought Assistance Programs	DOD, USACE	Emergency supplies of clean drinking water for human consumption and construction of wells.	Assistant Secretary of the Army for Civil Works designates the area as "drought distressed."	L

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Flood and Post-Flood Response, Emergency Operations	DOD, USACE	Specialized services, such as flood fighting and rescue, protection of federally constructed shore or hurricane projects, and post-flood response assistance.	Designation by USACE district commander.	S/L
Watercourse Navigation: Protecting, Clearing, and Straightening Channels	DOD, USACE	Specialized services, such as clearing or removing unreasonable obstructions to navigation in rivers, harbors, and other waterways or tributaries.	Decision of the Chief of Engineers.	S/L
Community Disaster Loan Program	Federal Emergency Management Agency (FEMA)	Program provides loans not greater than 25% of the local government's annual operating budget.	PD	L
Cora C. Brown Fund	FEMA	Grants to disaster victims for unmet disaster-related needs.	PD, designation for individual assistance.	I
Crisis Counseling Assistance and Training Program (CCP)	FEMA; Dept. of Health and Human Services (HHS)	Grants to States providing for short-term counseling services to disaster victims.	Governor's request.	I, via S
Fire Suppression Assistance Program	FEMA	Project grants. FEMA approves a grant to a State on the condition that the State takes measures to mitigate natural hazards, including consideration of nonstructural alternatives.	Decision by FEMA.	S
Hazard Mitigation Grant Program (HMGP)	FEMA	Project grants to implement hazard mitigation plans and prevent future loss of lives and property.	PD	L/N, via S
Individual and Family Grant (IFG) Program	FEMA	Grants to individuals administered by the State. Objective is to provide funds for the expenses of disaster victims that cannot be met through insurance or other assistance programs.	PD, designation for individual assistance. Requires specific request by State Governor.	I, via S

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Legal Services	FEMA	Free legal advice and referrals. Assistance includes help with insurance claims, counseling on landlord-tenant and mortgage problems, assistance with home repair contracts and consumer protection matters, replacement of legal documents, estate administration, preparation of guardianships and conservatorships, and referrals.	PD, designation for individual assistance.	I
National Flood Insurance Program (NFIP)	FEMA	Insurance benefits against losses from floods, mudflow, or flood-related erosion.	AWD	I/B/S
NFIP, Community Assistance Program	FEMA	Grants to States for technical assistance to resolve floodplain management issues.	AWD	S/L
Public Assistance Program	FEMA	Project grants. Funds can be used for clearing debris, emergency measures, and repairing or replacing damaged structures, roads, utilities, public buildings, and infrastructure.	PD, designation for public assistance.	L/N, via S
Disaster Housing Program	FEMA	Direct-payment grants and services. Grants include transient accommodation reimbursement, and home repair, rental, and mortgage assistance. Services may include a mobile home.	PD, designation for individual assistance.	I
Regulatory Relief for Federally Insured Financial Institutions	Federal Deposit Insurance Corporation (FDIC) and other Federal regulatory agencies	Specialized services. Supervisory agencies can grant regulatory relief to insured institutions. Regulatory relief includes lending assistance, extensions of reporting and publishing requirements, waivers from appraisal regulations, and implementation of consumer protection laws.	PD; other disaster that affects the ability of a federally insured financial institution to provide normal services.	N/B

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Donation of Federal Surplus Personal Property	General Services Administration (GSA)	Donations of surplus personal property to eligible recipients.	N/P	S/L/N/public airports.
Disposal of Federal Surplus Real Property	GSA	Sale, exchange, or donations of property and goods.	N/P	S/L/N
Disaster Assistance for Older Americans	HHS, Administration on Aging	Direct payments to State agencies focused on aging-related services.	PD	I, via S
Mental Health Disaster Assistance	HHS, Public Health Service	Project grants to provide emergency mental health and substance abuse counseling to individuals affected by a major disaster.	Supplemental appropriation by Congress relating to PD.	I, via S
Community Development Block Grant (CDBG) Program - Entitlement Grants	Dept. of Housing and Urban Development (HUD), Community Planning and Development (CPD)	Formula grants to entitlement communities. Preferred use of funding is for long-term needs, but funding may also be used for emergency response activities.	Supplemental appropriation by Congress relating to PD.	L
CDBG - State's Program	HUD, CPD	Formula grants to States for non-entitlement communities. Preferred use of funding is for long-term needs, but funding may also be used for emergency response activities. States establish methods of fund distribution.	Supplemental appropriation by Congress relating to PD.	L, via S

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Mortgage Insurance for Disaster Victims Program (Section 203 (h))	HUD	Provides mortgage insurance to protect lenders against the risk of default on loans to qualified disaster victims whose homes are located in a presidentially designated disaster area and were destroyed, requiring reconstruction/replacement. Insured loans may be used to finance the purchase or reconstruction of a one-family home that will be the principal residence of the homeowner.	PD	I
Reclamation States Emergency Drought Relief Act of 1991	Dept. of the Interior (DOI), Bureau of Reclamation	Loans, grants, use of facilities, construction, management and conservation activities, and purchase of water for resale or for fish and wildlife services. Temporary drought assistance may include the drilling of wells, installation of equipment, improved reporting of conditions.	Request for drought assistance and approval by Commissioner of Reclamation.	F/S/N/I
Disaster Unemployment Assistance (DUA)	Dept. of Labor (DOL); FEMA	Direct payments of DUA benefits and reemployment assistance services. Objective is to provide assistance to individuals who are ineligible for regular unemployment compensation programs and who are left jobless after a major disaster.	PD, designation for individual assistance. PD may be limited to DUA only.	I, via S
Employment: Job Training Partnership Act (JTPA), National Reserve Emergency Dislocation Grants	DOL, Employment and Training Administration	Program provides States with grant money to provide individuals with temporary jobs and/or employment assistance.	PD	I, via S

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Price-Anderson Act	American Nuclear Insurers and Nuclear Regulatory Commission (NRC) (for commercial nuclear power plants); Dept. of Energy (for DOE facilities)	Payment of liability claims that arise from a nuclear power reactor accident. Insurance-provided assistance may compensate victims for increased living expenses after an evacuation, unemployment, business losses, environmental cleanup, reduced property values, and costs associated from bodily injury.	AWD	I
Price-Anderson Act	NRC	Insurance reimburses States and municipalities for costs necessarily incurred in providing emergency food, shelter, transportation, or police services in evacuating the public after a nuclear power reactor accident.	AWD	S/L
Economic Injury Disaster Loans (EIDLs)	Small Business Administration (SBA)	Direct long-term, low-interest loans to small businesses and agricultural cooperatives. Loans are only available to applicants with no credit available elsewhere, and the maximum amount of an EIDL is \$1.5 million.	PD; declaration of a disaster by the Secretary of Agriculture and/or SBA-declared disaster.	B
Physical Disaster Loans (Business)	SBA	Direct long-term, low-interest loans to businesses and nonprofit organizations. Loans provided to repair or replace uninsured property damages caused by disasters. Loans limited to \$1.5 million.	PD or SBA declaration.	N/B
Physical Disaster Loans (Individual)	SBA	Direct long-term, low-interest loans to homeowners and renters to repair or replace uninsured damages caused by disasters to real and personal property. Loan amounts limited to \$200,000 to repair or replace real estate, and to \$40,000 to repair or replace personal property.	PD or SBA declaration.	I

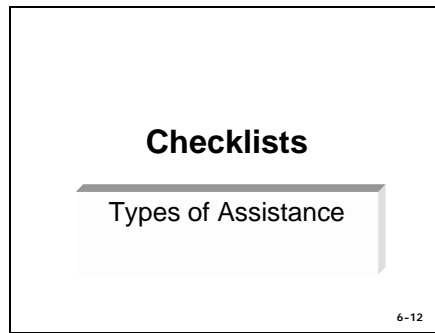
PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Social Security Assistance	Social Security Administration (SSA)	Advisory and counseling services to process SSA survivor claims, assist in obtaining necessary evidence for claim processing, resolve problems involving lost or destroyed SSA checks, and reprocess lost or destroyed pending claims.	PD; AWD	I
International Donations	Dept. of State	Donations including goods and cash.	Request for international coordination assistance from FEMA's Donations Coordinator.	I
Transportation: Emergency Relief Program	Dept. of Transportation (DOT), Federal Highway Administration (FHWA)	Formula and project grants to repair roads. FHWA can provide: (1) up to \$100 million in funding to a State for each natural disaster or catastrophic failure; and (2) up to \$20 million in funding per year for each U.S. territory. Special legislation may increase the \$100 million per State limit.	PD; AWD	F/S
Alcohol and Tobacco Tax Refund	Dept. of the Treasury, Bureau of Alcohol, Tobacco, and Firearms	Specialized services to provide Federal alcohol and tobacco excise tax refunds to businesses that lost assets in a disaster.	PD	B
Savings Bonds Replacement or Redemption	Treasury, Bureau of Public Debt	Specialized services. Bureau of Public Debt expedites replacement of U.S. Savings Bonds lost or destroyed as a result of a disaster.	PD	I
Taxes: Disaster Assistance Program	Treasury, Internal Revenue Service (IRS)	Advisory and counseling services. IRS provides information about casualty loss deductions, claim procedures, and reconstruction of lost financial records.	PD	I/B

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Forbearance on VA Home Loans	Dept. of Veterans Affairs (VA)	Encourage lenders to extend forbearance to any borrowers who have VA home loans and who are in distress as a result of disaster; provide incentives to such lenders.	PD	I
Coastal Zone Management; Hazards, Environmental Recovery, and Mitigation	DOC, National Oceanic and Atmospheric Administration (NOAA)	Assistance to State and local governments in mitigation and recovery/restoration planning, post-event permitting assistance, water-level data for storm-surge and flooding prediction and mitigation.	PD for post-event; AWD from coastal State(s) for pre-event planning.	S
Re-establishing Local Survey Networks	DOC, NOAA	Provision of survey mark data to local and State agencies for re-establishing their geodetic control networks; re-establishment of national network if warranted.	PD; AWD depending on funding availability.	S/L
Coastal Zone Management Administration Awards	DOC, NOAA	Grants to States for the management of coastal development to protect life and property from coastal hazards.	AWD requires supplemental appropriation by Congress relating to PD for post-storm coastal hazard mitigation and recovery activities.	S/L/T via S
Coastal Zone Management Fund	DOC, NOAA	Emergency grants to State coastal zone management agencies to address unforeseen or disaster-related circumstances.	AWD subject to amounts provided in appropriation acts. No funds currently appropriated.	S/L/T via S
Technical Support	DOC, NOAA, National Weather Service	Technical assistance for weather, water, and climate warning systems and critical information dissemination systems. Post-storm data acquisition activities.	AWD	F/S/L/N/T

PROGRAM	AGENCY	ASSISTANCE PROVIDED	ACTIVATING MECHANISM	ELIGIBILITY
Technical Support	DOC, National Institute of Standards and Technology	Disaster damage surveys, assistance in procurement of consulting services, evaluation of structural and fire performance of buildings and lifelines.	Federally declared disasters to buildings and lifelines, on cost-reimbursable basis.	F/S/L

Show Visual 6-12.

Refer participants to the checklist that identifies additional economic sources available for rebuilding. Tell them they can use this as a resource when building their database of funding sources back home.



Engage participants in a brainstorm to list out other funding sources.

Put butcher paper on wall – leave up.

Use the checklists in the discussions.

TYPES OF ASSISTANCE

Sources of Assistance	Funding/ Financial	Planning/ Technical Assistance	Data/ Research (Surveys)/ Information	Physical Resources
<ul style="list-style-type: none"> ♦ Banks ♦ Businesses ♦ Business associations ♦ Business development councils ♦ Chamber of Commerce ♦ Construction industry ♦ County and local agencies ♦ Insurance companies ♦ American Red Cross ♦ Telecommunications (telephone, cable) ♦ Unions (workforce) ♦ Universities and community colleges (local) ♦ Volunteer organizations (AmeriCorp) ♦ Professional organizations ♦ Faith-based organizations ♦ Community-based organizations 				

TYPES OF ASSISTANCE

Sources of Assistance	Funding/ Financial	Planning/ Technical Assistance	Data/ Research (Surveys)/ Information	Physical Resources
<ul style="list-style-type: none"> ♦ Governor ♦ State legislature ♦ Elected officials ♦ Consultants ♦ Design ♦ Engineering ♦ Marketing ♦ Grant writing ♦ Economic developer/planner ♦ Community leaders ♦ Other: 				

TYPES OF ASSISTANCE

Sources of Assistance	Funding/ Financial	Planning/ Technical Assistance	Data/ Research (Surveys)/ Information	Physical Resources
<ul style="list-style-type: none"> ♦ Local Agencies <ul style="list-style-type: none"> – Economic Development Office (local/regional) – Police department/law enforcement – Fire department – Public works – Water and Sewage – Transportation – Planning committee – Zoning and regulatory committees – Job Corps – Extension Service ♦ Other: ♦ Federal Agencies <ul style="list-style-type: none"> – Department of Energy – Department of Labor – Economic Development Administration – Federal Emergency Management Agency – Housing and Urban Development 				

TYPES OF ASSISTANCE

Sources of Assistance	Funding/ Financial	Planning/ Technical Assistance	Data/ Research (Surveys)/ Information	Physical Resources
<ul style="list-style-type: none"> ♦ Small Business Administration ♦ U.S. Army Corp of Engineers ♦ U.S. Department of Agriculture ♦ U.S. Department of Transportation ♦ Environmental Protection Agency ♦ Department of Interior ♦ Other: <p>State Agencies</p> <ul style="list-style-type: none"> ♦ Police department/law enforcement ♦ Fire department ♦ Public works ♦ Water and Sewage ♦ Planning committee ♦ Transportation ♦ Zoning and regulatory committees 				

Activity 6-1: Partnering for Economic Recovery

75 minutes

Show Visual 6-13.

Introduce the exercise. Tell participants the focus of the exercise is on identifying approaches to help economic developers work with emergency managers in identifying unmet needs.



Activity 6-1: Partnering for Economic Recovery

6-13

Activity 6-1: Partnering for Economic Recovery

Time

- ♦ 60 minutes (table group work)
- ♦ 15 minutes (class discussion)

Purpose

The purpose of this exercise is to determine approaches to help economic developers work with emergency managers to identify unmet needs.

Directions

Part A

1. Read the Earthquake Scenario. Identify some possible unmet needs of the businesses affected by the earthquake in the scenario.
2. Identify some ways the local economic planning community, emergency managers and other local entities might work together in the **earthquake scenario** to assist the building owner and occupants in meeting their unmet needs.
3. Use the Unmet Needs Worksheet to record your thoughts.

Part B

4. Devise strategies that you could use in your community to help economic developers work with emergency managers to identify unmet needs. Use the Partnering for Economic Recovery Worksheet to help you in doing this.
5. Choose a spokesperson to present your findings to the class.

Part A

EARTHQUAKE SCENARIO

The owner of two commercial properties experienced substantial damage to one of the properties. The property is located on a major pedestrian walking street in the downtown area. The damaged building has two stories and is constructed of a fire-resistant structural steel frame, slab foundation, tar/gravel roof, concrete/block exterior walls, and large concrete/masonry arches that surround windows outside the perimeter of the building.

The building was leased as office space for approximately \$70,000 month and contains approximately 58,000 square feet. Three different companies rent the space. *Filmmaker's Cooperative* is a minority-owned start-up with limited capital that moved in within the last six months. The other longer-term occupants are fairly well established with good financial bases. *Bills, Inc.* has an extensive disaster contingency plan that includes off-site back ups of records and inventory, business interruption insurance, and is an active member of the local Chamber of Commerce. *Swan Song* has not prepared for the possibility of disaster, and is heavily dependent on its telecommunications capabilities, relationships with a limited but highly visible client base and out-of-town vendors. The building owner lives in a neighboring community.

The building experienced moderate to severe damage to the exterior concrete block walls and large glass windows in the arches. The northwest portion of the structure where *Swan Song* is located sustained the most damage as result of heavy cracking, but all exterior walls show cracks in the concrete block. Some roof damage was also noted. The building is unsafe to occupy due to danger of unstable masonry. There is also significant damage to the floor coverings, walls, ceilings, and doors. The mechanical systems require repair, as well as the landscaping and parking area. All telecommunications has abruptly stopped. Power is not available and no estimate has been given as to when it would be returned. The pedestrian walkway in front of the building has been taped off by the police because of damage to building exteriors.

SBA estimates the pre-disaster fair market value of the building to be \$3.5 million and the total cost of the repairs \$450,000. These losses are not insured.

Part A

UNMET NEEDS WORKSHEET

1. What are some possible unmet needs that these businesses could encounter? (For instance, the loss of pedestrian traffic business due to the closed off access and the loss of revenue while the building is being prepared.)

 2. For these needs that you identified, discuss some ways the various entities could partner to assist these businesses? Think about this in terms of who could be involved and what role they could play. (For instance, could the building qualify for federal mitigation assistance or a HUD Community Development Block grant? Is there a local resource (EDA revolving loan fund grants) that could assist in the uninsured losses?)
- ♦ **Local economic planning community** (who does this involve and how can they assist)

 - ♦ **Emergency managers**

 - ♦ **Other local entities**

Part B

Situation

Many business disaster victims get overlooked in the recovery process. They may not qualify for federal, state, or local programs, or they may not be sufficient to meet their needs. Many times there may be resources available within the local community that may address some businesses unmet needs. The challenge lies in developing a coordinated system to identify these resources and deliver the services they provide.

Task

Devise strategies that you could use in your community to help economic developers work with emergency managers to identify unmet needs. Your strategy is how you will go about making something happen. (Who is going to do what, and when?) The following Partnering for Economic Worksheet has some questions to consider in developing your strategy.

PARTNERING FOR ECONOMIC RECOVERY WORKSHEET

1. Who are the key players in the recovery phase?
2. Who are the key players in fostering a relationship between emergency managers and economic developers during the recovery stage?
3. What are the unmet needs that are most likely to face businesses?
4. What can you personally do to help businesses that have applied for assistance, but still have unmet needs?

PARTNERING FOR ECONOMIC RECOVERY WORKSHEET

5. How can you work with emergency managers and economic developers in identifying programs that can serve as resources for businesses with unmet needs?

6. What are the three most important contributors to a successful partnership between emergency managers and economic developers during the recovery stage?

7. What approach would you use in your community to foster relationships and to develop partnerships to ensure that businesses get assistance for their unmet needs?

Mention the Checklist for the Disaster-Resistant Economic Development Planning Process as a resource tool.

CHECKLIST FOR THE DISASTER-RESISTANT ECONOMIC DEVELOPMENT PLANNING PROCESS		
1 = adequate/completed 2 = needs work 3 = need to adopt/plan/begin 4 = not applicable		
Action/Strategy	Pre-Disaster	Post-Disaster
ECONOMIC VULNERABILITY ANALYSIS		
<ul style="list-style-type: none"> ♦ Appoint a central point of contact for all emergency-related information ♦ Evaluate the vulnerability of the business community ♦ Do a capability analysis (resource analysis) to identify the resources in labor and equipment ♦ Plan to acquire or strengthen weak areas 		
MITIGATION ACTIVITIES		
<ul style="list-style-type: none"> ♦ Identify mitigation activities ♦ Prioritize mitigation projects ♦ Evaluate cost-benefit analysis of mitigation projects ♦ Select projects for implementation ♦ Establish timelines for accomplishment 		
ECONOMIC DISASTER PLANNING		
POST-DISASTER RECOVERY STRATEGY <ul style="list-style-type: none"> ♦ Establish a Recovery Task Force ♦ Develop a post-disaster recovery strategy ♦ Brief executive and legislative leaders on all recovery policy issues ♦ Organize community leaders, businesses, and local organizations to develop a post-disaster recovery strategy 		

CHECKLIST FOR THE DISASTER-RESISTANT ECONOMIC DEVELOPMENT PLANNING PROCESS		
1 = adequate/completed 2 = needs work 3 = need to adopt/plan/begin 4 = not applicable		
Action/Strategy	Pre-Disaster	Post-Disaster
LAND USE PLANNING <ul style="list-style-type: none"> ♦ Develop a list of business-related local zoning/land use issues for pre-disaster and post-disaster evaluation ♦ Evaluate zoning/land use issues ♦ Develop a long-term community vision for business redevelopment plans 		
BUILDING STANDARDS <ul style="list-style-type: none"> ♦ Develop/revise rehabilitation and repair standards to upgrade construction to be more disaster-resistant ♦ Develop building design guidelines for new construction 		
TEMPORARY BUSINESS LOCATIONS/SITES <ul style="list-style-type: none"> ♦ Take a pre-disaster inventory of all commercial buildings in the community, including ownership, value, type of structure, occupancy, and the nature of the business ♦ Develop a list of viable alternate business locations/sites that would be available after a disaster ♦ Develop a temporary facilities plan to house displaced businesses ♦ Construct a building to house small businesses displaced by the disaster and serve as a business development “incubator” ♦ Consider long-term uses for the building ♦ Assist in relocating businesses displaced by the disaster ♦ Identify square footage needs and sitting options or other space options, including use of relocatables ♦ Plan for special needs of restaurants/food vendors in temporary facilities (such as requirements for access, restrooms, and utility hookups) 		
ACQUISITION AND RELOCATION <ul style="list-style-type: none"> ♦ Develop and plan for acquisition and/or relocation of commercial properties <ul style="list-style-type: none"> – Identification of criteria for buyouts – Provisions for relocation assistance – Completion of structural and financial analysis to complete the plan 		

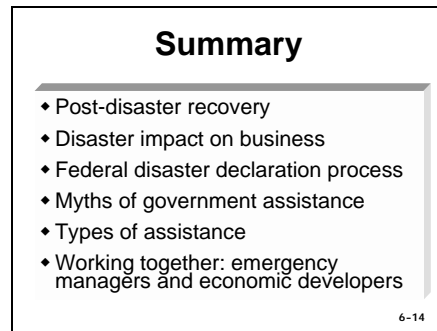
CHECKLIST FOR THE DISASTER-RESISTANT ECONOMIC DEVELOPMENT PLANNING PROCESS		
1 = adequate/completed 2 = needs work 3 = need to adopt/plan/begin 4 = not applicable		
Action/Strategy	Pre-Disaster	Post-Disaster
BUSINESS REDEVELOPMENT <ul style="list-style-type: none"> ♦ Develop an information clearinghouse on available resources to support the business community in recovery and rebuilding ♦ Facilitate and expedite the economic recovery of businesses affected by the disaster by providing financial assistance, interim commercial facilities, and a foundation for future economic development ♦ Conduct business surveys to determine disaster victims' immediate needs ♦ Conduct business space needs assessment ♦ Inventory space available ♦ Complete inventory of substantially damaged buildings in the area, including mitigation options ♦ Determine costs of key types of assistance needed to create a locally based public/private assistance program to coordinate various Federal, State, and local assistance programs ♦ Form a business district association 		
<ul style="list-style-type: none"> ♦ Develop a process for tracking local base economy and market trends; conduct period market trend analysis ♦ Provide immediate assistance to downtown businesses displaced by the disaster and encourage the revitalization of the affected community(s) ♦ Conduct workshops to assist business owners in preparing business plans, profit/loss statements, balance sheets, and cash flow projections 		
FUNDING RESOURCES <ul style="list-style-type: none"> ♦ Identify potential funding sources in the event of a disaster ♦ Review development incentives, such as rehabilitation loans/grants, fee waivers, tax abatements, density bonuses 		
LIFELINES AND INFRASTRUCTURE <ul style="list-style-type: none"> ♦ Develop contingency plans for alternate and backup transportation routes ♦ Develop contingency plans for alternate and backup power systems ♦ Develop contingency plans for alternate and backup communications systems 		

CHECKLIST FOR THE DISASTER-RESISTANT ECONOMIC DEVELOPMENT PLANNING PROCESS		
1 = adequate/completed 2 = needs work 3 = need to adopt/plan/begin 4 = not applicable		
Action/Strategy	Pre-Disaster	Post-Disaster
PHYSICAL RESOURCES <ul style="list-style-type: none"> ♦ Identify physical resources required for response to a disaster ♦ Develop a physical resource vendor directory for business and city use 		
OTHER		
REEVALUATE THE PROCESS		
<ul style="list-style-type: none"> ♦ Assess progress against the benchmarks/performance measures ♦ Identify changes required ♦ Develop action plans to accomplish identified shortcomings/changes/ improvements 		

Summary

3 minutes

Show Visual 6-14.



Mention the importance of learning from disasters.

You can learn from disasters by doing the following:

- ♦ Calibrate losses that you predicted
- ♦ Reevaluate the plans you made based on real information
- ♦ Apply lessons learned
- ♦ Begin the disaster-resistant economic development planning cycle again!